

ORIGINAL

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

Special Services Fees and Classifications

Docket No. MC96-3

ANSWERS OF THE OFFICE OF THE CONSUMER ADVOCATE
TO INTERROGATORIES OF UNITED STATES POSTAL SERVICE
WITNESS: ROGER SHERMAN (USPS/OCA-T100-1-5 and 6d-18)
(OCTOBER 21, 1996)

The Office of the Consumer Advocate hereby submits the answers of Roger Sherman to interrogatories USPS/OCA-T100-1-5 and 6d-18 dated October 7, 1996. Interrogatory USPS/OCA-T100-6a-c was redirected to Witness Collins. Each interrogatory is stated verbatim and is followed by the response.

Witness Sherman is out of town and his declaration will be filed later.

Respectfully submitted,

Emmett Rand Costich

EMMETT RAND COSTICH
Assistant Director
Office of the Consumer Advocate



ANSWERS OF OCA WITNESS ROGER SHERMAN
TO INTERROGATORIES USPS/OCA-T100-1-18

USPS/OCA-T100-1. Please refer to page 4 line 1 of your testimony.

- a. Please define "optimal pricing" or the principle of optimal pricing.
- b. Please identify all distinctions between "optimal pricing" and "market based pricing" as you understand those terms.

A. a. "Optimal pricing" is pricing that serves an explicit goal. Often that goal is social welfare, and in that case pricing may be called "socially optimal pricing." Social welfare is often defined as consumer surplus plus producer surplus (usually consumer surplus represents the difference between what consumers are willing to pay and what they actually pay, and producer surplus is profit), and prices can be derived that will maximize that goal. For example, in simple circumstances, prices that equal marginal costs will maximize welfare. In cases where pricing at marginal cost would produce a deficit and the goal is to maximize welfare while having the enterprise breakeven, a situation that would seem to fit the Postal Service, optimal prices are Ramsey prices. If external diseconomies existed (such as pollution), optimal pricing would take them into account. The main point is that optimal pricing is the best pricing for a certain definite purpose.

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CONTINUATION OF ANSWER TO USPS/OCA-T100-1:

b. "Market-based pricing" is presumably based on pricing that is determined in markets. A host of market possibilities will yield market pricing, from virtual monopoly circumstances to fierce competition, and so the possibilities cover a wide range. Externalities normally are not reflected in market-based prices, so their effects would not ordinarily be remedied in market prices. So "market-based pricing" can cover a wide range of outcomes, whereas "optimal pricing" is pricing that best serves a specific goal.

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USPS/OCA-T100-2. Please refer to page 5 lines 10-13 and page 9 lines 15-22 of your testimony.

- a. You state that it appears that money orders are currently priced below attributable costs. Provide citations to the record to support this proposition.
- b. In what respect are money orders a money losing special service?
- c. How do money orders fail to cover their attributable costs?
- d. Is it your testimony that money orders fail to meet criterion (b)(3) of section 3622 of Title 39, United States Code?
- e. What type of characteristics would you expect the recipients of money orders to exhibit?
- f. What type of characteristics would you expect the recipients of COD service to exhibit?

A. a. The Direct Testimony of Richard Patelunas in MC96-3, USPS-T-5G, page 24, provides FY 96 Current Rates (with mix). For money orders it reports revenues of \$169.7 million and attributable costs of \$195.4 million. Revenue less attributable cost is reported as -\$25.8 million, a substantial negative amount. Revenue as a percent of attributable cost is reported as 86.8 percent.

b. If attributable cost exceeds revenue for a service, as reported in USPS-T-5G for money orders, that service not only fails to contribute to institutional costs but also is a financial drain on other services that must make up for the failure of the service to cover its attributable costs. In that respect the reported financial performance would make money orders a money losing service.

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CONTINUATION OF ANSWER TO USPS/OCA-T100-2:

c. I am not in a position to speculate as to how money orders fail to cover their attributable costs.

d. If the revenue/cost relationships reported in USPS-T-5G, page 24, are correct, the failure of money orders to cover their attributable cost would seem to prevent the USPS from meeting criterion (b) (3) of section 3622, "the requirement that each class or type of mail service bear the direct and indirect postal costs attributable to that class or type plus that portion of all other costs of the Postal Service reasonably assignable to such class or type."

e. I am in no position to speculate about the characteristics exhibited by recipients of money orders. I have received a money order myself, but I don't know the characteristics of others who receive them.

f. I am in no position to speculate about the characteristics exhibited by recipients of COD service. I have received COD service myself, but I do not know the characteristics of others who have received it.

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USPS/OCA-T100-3. Please refer to page 6 lines 3-9 of your testimony.

- a. Please define your understanding of "market power."
- b. Please identify all quantitative means, measurements, or equations known to you by which market power or monopoly power may be evaluated.
- c. Please attach copies of pages 97-102 of F.M. Fisher et al., Folded, Spindled, and Mutilated: Economic Analysis of U.S. vs. IBM to your response to this interrogatory.

A. a. "Market power" is quite generally accepted as being the power to have an influence on price.

b. The subject of market power comprises an entire subfield of economics, called industrial organization, which is impossible to summarize briefly. Several measures of market power have been proposed. One of the earliest is due to the late economist, Abba Lerner, and is based on the ratio of the difference between price and marginal cost $(p - mc)$ to price (p) , or the ratio $(p - mc)/p$. It comes from the idea that a profit-maximizing monopoly will set price so that this ratio, sometimes called the "price-cost margin," will equal $1/e$, where e is the price-elasticity of demand. One crucial source of market power is an entry barrier, which will inhibit new firms from competing if the current price rises, and several methods have been proposed for estimating the level of entry barriers. Based on the

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CONTINUATION OF ANSWER TO USPS/OCA-T100-3:

difficulty of raising capital, the capital needed to form an enterprise that can operate at the minimum efficient scale in an industry has been estimated, for example. The greater this figure, the more difficult is entry, since more capital will have to be raised in the capital market and then deployed effectively. Having a small number of firms is also thought to contribute to the market power of each, and various measures of "concentration" have been used to represent this conception. The simplest measure is the four-firm concentration ratio, which is the fraction of industry sales (or assets, or employment, or other measure) accounted for by the largest four firms in an industry. Another measure is the Herfindal index, which is the sum of all the squared market shares for firms in the industry. This number approaches one for monopoly and zero for competition. By themselves, these concentration measures are not thought to ensure that market power will exist, but they might give rise to it. Some significant form of entry barrier generally is thought to be needed. Product differentiation is another possible source of market power, sometimes based on a patent. And a cost advantage, also possibly protected by patent, can be a source of market power. Although various attempts have been made to measure what are seen as sources of market power, the ultimate

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CONTINUATION OF ANSWER TO USPS/OCA-T100-3:

form that power takes is the capability to affect price.

c. See OCA-LR-4.

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USPS/OCA-T100-4. Please refer to page 13 lines 23-25 of your testimony. In reaching your conclusion that it is difficult to identify costs for the new levels of insurance service, did you consider Lyons WP A page 5 before your testimony was filed?

A. My remark about the difficulty of identifying cost was not a criticism of Lyons WP A, but rather was noting that without a record drawn from providing the service in the past, the estimation of cost would be more difficult.

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USPS/OCA-T100-5. Please refer to pages 15 line 19 to page 16 line 15 of your testimony.

- a. Please provide all information of which you were aware regarding Mr. Popkin's background and credentials at the time you drafted your testimony in this docket.
- b. Have you ever cited Mr. Popkin in any other publication or publicly available document?
- c. Are you familiar with Mr. Popkin's educational background and credentials? If so, please explain in full.
- d. Are your conclusions based on the belief that handling procedures and transportation methods for uninsured registry do not vary as value of the article increases?

A. a. I knew nothing of Mr. Popkin's background and credentials at the time I drafted my testimony.

b. No.

c. No.

d. I was unable to reach conclusions, except to say it is possible that Mr. Popkin's argument would be supported with postal cost information by value category if it was available. The Commission endorsed exploration of this question in R94-1 but lacked a record on which to consider it. The record is still lacking.

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USPS/OCA-T100-6. Please refer to page 18 line 15-18 of your testimony.

- a. Do you contend that witness Needham has not presented accurate proposed certified mail costs and revenues at Tr. 4/1073 for Docket Nos. R90, R94, and MC96-3?
- b. If your answer to (a) is anything but an unqualified no, please identify all inaccurate information at Tr. 4/1073, and explain how one would derive accurate information about costs and revenues for certified mail.
- c. What is your understanding of the after-rates cost coverage for certified mail in Docket Nos. R90 and R94? Please explain in detail.
- d. Do you contend that any past inaccuracies in the manner in which certified mail revenues, costs, and cost coverages were reported, which in fact contributed to pure certified mail cost coverages below 100 percent (see Tr. 4/1073), should preclude the Commission from taking remedial steps in this proceeding?

A. a.-c. Redirected to Witness Collins.

d. Of course I do not contend that past cost or revenue inaccuracies for certified mail would preclude the Commission from taking remedial steps in this proceeding. No reading of my testimony should suggest that I do.

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USPS/OCA-T100-7. Please refer to page 18 lines 23 to 26 of your testimony.

- a. Could an explanation for the fact that a product is much less costly than alternatives to that product be that the product is priced below cost?
- b. Could an explanation for the fact that a product is much less costly than alternatives to that product be that the product is priced below market price?
- c. Do you contend that it is irrational for a firm to attempt to raise prices of its products to be closer to prices of alternative products?

A. a. Yes, it is possible for a product to have a lower price than alternatives because it is priced below cost.

b. If a product is priced below alternatives it would not normally be said to be priced below market price, since its price would normally be part of the market price.

c. Of course it is not irrational for a private firm to attempt to raise the prices of its products to be closer to prices of alternative products. Profit seeking private retailers can be expected to do it at every opportunity. It may not be appropriate action, however, for a public enterprise that is to serve the public.

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USPS/OCA-T100-8. Please refer to page 20 lines 24-26 and page 21 lines 1-4 of your testimony.

- a. As a general matter, is a mailer better off sending a mailpiece with the correct or an incorrect address?
- b. What, in your opinion, do you think a mailer would prefer: sending a mailpiece with an incorrect address or sending a mailpiece with a correct address?
- c. Please identify all of the advantages that accrue to a mailer who uses a correct address versus one who uses an incorrect address?
- d. What do you understand to be all of the disadvantages, from the mailer's perspective, of using an incorrect address?
- e. Would you agree with the proposition that correct address information could aid a caller and telephone information operator in identifying a telephone customer, particularly when the listing sought is of a customer with a common first and last name, such as James Brown or David Smith? If not, why not?
- f. Isn't it true that a correct address could aid an individual in addressing a package sent via an alternative delivery carrier?
- g. Isn't it true that correct address information could aid an emergency assistance personnel such as fire or police services in promptly providing assistance, particularly when such services are requested by one individual on behalf of another person located elsewhere?

A. a. Of course a mailer is generally better off sending a mail piece with the correct address than with the incorrect address. It is up to the mailer to judge how great an effort to make to have correct addresses, however, as the mailer suffers the disadvantages of using an incorrect address. For example, suppose that 99 out of 100 of a mailer's addresses are correct, but the mailer does not know which address is incorrect. Then spending, say, an additional \$.40 for every item mailed in order

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CONTINUATION OF ANSWER TO USPS/OCA-T100-8:

to obtain address information would result in an expenditure of \$40.00 (\$.40x100). This expenditure would only correct one incorrect address, and the exercise shows that a mailer's willingness to pay for improved addresses will depend on how high is the present quality of address information. The \$40.00 expenditure for one address correction in this example might easily be greater than the correct address would be worth to the mailer. That is why the choice about how much to spend to obtain correct addresses should be left to the mailer.

b. Of course a mailer would prefer sending a mail piece with a correct address rather than with an incorrect address. The question of interest is not whether a correct address is useful, but rather how much is obtaining the correct address worth?

c. I cannot enumerate all possible advantages that might follow from having a mail piece reach its intended destination. The main advantage of using a correct address is that the mail piece can reach its intended destination, which can have different value to different mailers. Each mailer has to weigh the advantages of correct addresses relative to their cost and decide how much to spend in seeking them. And mailers should

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CONTINUATION OF ANSWER TO USPS/OCA-T100-8:

have a choice, as they do now, whether to employ the Postal Service to improve their address information.

d. Of course I cannot enumerate all possible disadvantages of a mail piece not reaching its intended destination. That is the main disadvantage of a mailer's using an incorrect address, and it can be expected to have different costs to different mailers. Again, each mailer may face different disadvantages, and so they may be willing to pay different amounts to obtain correct addresses.

e. Yes, a correct address can be useful. As explained in (a) above, the question is not whether a correct address is useful, but how great is the usefulness. On average, how much is a mailer willing to pay to obtain correct addresses? This is a question each mailer is in position to answer. At present almost 9 out of 10 mailers are unwilling to pay what the Postal Service charges for correct address information, which indicates that most mailers see no need for marginal improvement in address accuracy in view of its cost.

f. Yes, a correct address can be useful.

g. Yes, a correct address can be useful.

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USPS/OCA-T100-9. Please refer to page 21 lines 15-16 of your testimony.

- a. Do senders of articles having no value sent via Express Mail subsidize, directly or indirectly, the merchandise insurance coverage of Express Mail?
- b. Does the sender of an article having no value sent via Express Mail value the merchandise insurance feature of Express Mail?
- c. Is it fair to say that the proposal for return receipts is a combination of two proposals, one restructuring the classification for this service and proposing a fee for that service?

A. a. I should not expect that senders of articles having no value by Express Mail subsidize the merchandise insurance coverage of Express Mail, but I am in no position to answer the question.

b. I do not know whether the sender by Express Mail of an article having no value actually values the merchandise insurance feature of Express Mail.

c. No, it does not seem fair to say the proposal for return receipts is two proposals, one restructuring the classification and the other proposing a fee for the service. This would not even be a fair characterization if only the minor change in the address option was involved, without elimination of the no-address option, because the fee stays the same for that slightly changed service. The main feature of the return receipt

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CONTINUATION OF INTERROGATORY USPS/OCA-T100-9:

proposal is that it would eliminate one of the choices that is presently offered. The restructuring produces no genuinely new service. Nor is there a new fee, since the fee for the address proposal will continue in force. But the no-address option will no longer be an option.

Presently the mailer has two return receipt options:

(1) to learn to whom and on what date the item was delivered, or
(2) to learn to whom, on what date, and to what address the item was delivered. The address option, (2), has a higher rate.

Under the proposal, the mailer must choose the address option, (2), (with the address to be provided only when it is different rather than in every case as it is presently) and will no longer be allowed to choose (1) because it will no longer be offered.

It is not fair to call it a restructuring based on the change in the address option, which is so minor, when the main feature of the proposal is elimination of the no-address option. And it is not fair to say the proposal will propose a new fee, since there is no new fee.

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USPS/OCA-T100-10. Please refer to page 23 line 2 of your testimony.

- a. Is it fair to say that a demand elasticity of -0.17 is relatively inelastic?
- b. What is the effect of a price increase on a product exhibiting relatively inelastic demand?

A. a. Yes, a demand elasticity of -0.17 is very inelastic.

b. When the demand for a product is inelastic, raising its price will decrease quantity sold but will also raise total revenue, because the percentage increase in price is greater than the percentage decrease in quantity.

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TO INTERROGATORIES USPS/OCA-T100-1-19

USPS/OCA-T100-11. Please refer to page 24 of your testimony.

- a. Are you aware that plain postcards may be purchased from private vendors? If your answer is affirmative, please explain.
- b. Assuming that postal cards were no longer sold by the Postal Service,
 - 1) is it fair to say that privately printed plain postcards would serve as an adequate substitute for them?
 - 2) isn't it fair to say that some of the lower cost characteristics exhibited by postal cards, such as the addressing techniques suggested by witness Patelunas, could also be exhibited by plain, privately printed post cards used by today's customers of postal cards? Please explain your response.
- c. What, in your opinion, would be the likely effect on attributable costs for the post card single-piece rate if more lower cost pieces were entered at that rate category?
- d. Isn't it true that all users of the postal and postcard subclass pay, to some degree, for the manufacturing costs of postal cards? If your answer is no, please explain.
- e. Do private postcard users pay, through postcard postage, for the stationery provided to postal card users? If your answer is anything other than an unqualified no, please explain.
- f. Do private postcard users value free stationery given to postal card users? If your answer is anything other than an unqualified no, please explain.
- g. Do postcard users receive any benefit from the free stationery provided to postal card users? If your answer is anything other than an unqualified no, please explain.

A. a. Yes, I am aware that plain postcards may be purchased from private vendors. I can see nothing in this affirmative answer that needs to be explained.

b.

1) Yes, it is fair to say that private cards would serve as an adequate substitute for postal cards if the latter were not available.

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CONTINUATION OF INTERROGATORY USPS/OCA-T100-11:

2) Yes, it seems fair to say that some of the lower cost characteristics exhibited by postal cards could also be exhibited by privately printed post cards used by today's customers of postal cards. At present, the customers have no incentive to generate such economies for the Postal Service.

c. If more lower cost pieces were entered in the post card mail stream I would expect that unit attributable costs for post cards would be reduced.

d. No, this claim that postcard mailers support the manufacturing costs of postal cards is wrong. The manufacturing costs of postal cards are attributed to postal cards, not to private cards. See testimony of OCA Witness Sheryda Collins, OCA-T-400 in this Docket, page 22. Her position that the manufacturing costs are attributed to postal cards is confirmed in answer of Witness Patelunas to OCA/USPS-T5-10 (Tr. 2/251) and answer of Witness Needham to OCA/USPS-T8-37 (Tr. 4/1119).

e. No. See answer to d.

f. I see no reason why private postcard users would value the stationery for postal cards, which is not given to postal card users--they pay for it.

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CONTINUATION OF ANSWER TO USPS/OCA-T100-11:

g. The stationery is not free to postal card users, since they pay for it. I suppose the same is true of envelopes for priority mail users and for express mail users, but I am not certain. I do not see any benefit to postcard users from the stationery in postal cards (or the envelopes in priority mail or in express mail).

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USPS/OCA-T100-12. Please refer to page 5 line 15 of your testimony.

- a. Please define the term "welfare considerations."
- b. How do welfare considerations relate to the pricing criteria of the Postal Reorganization Act?

A. a. Welfare considerations would mean considerations having to do with the well being of the public and more specifically of consumers and producers. Consumer welfare might be represented by consumer surplus, the difference between what consumers are willing to pay and what they actually pay.

b. The requirement that rates be fair and equitable (criterion 1) is to protect the well being of consumers. Having the value of mail services influence rates (criterion 2) will further consumer welfare while at the same time enabling the Postal Service to cover institutional costs. It is consistent with Ramsey prices, which are derived from representations of consumer welfare. Ensuring that services cover costs (criterion 3) furthers welfare because consumers can always be benefitted by changing from any rate structure that allows the enterprise to break even but has some services priced below their costs. Considering the effect of rate increases on the general public (criterion 4) is clearly attending to public welfare. Considering available alternative means of sending and receiving letters

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CONTINUATION OF ANSWER TO USPS/OCA-T100-12:

(criterion 5) is respecting the positions that consumers may be in and thereby promoting their welfare. Ramsey prices, which serve welfare, call for explicit attention to alternative services. The degree of preparation of mail (criterion 6) is like taking cost into account; it is required for fairness to mailers. Simplicity (criterion 7) acknowledges the cost to consumers of dealing with complex rate and service schedules and so reflects concern for public welfare. Educational, cultural, and scientific values (criterion 8) obviously relate to public welfare.

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USPS/OCA-T100-13. Please refer to page 27 lines 1-19 of your testimony.

- a. Other than circumstances in which post office box service is the only available means of postal delivery, isn't it true that post office box customers may receive "dual" delivery, i.e., at their residence or place of business and at the post office box?
- b. If post office box customers are in fact eligible for dual delivery and elect to receive mail at both their residence (or place of business) and their post office box, doesn't that have the effect of eliminating, or at least reducing, the delivery savings you claim attend the provision of post office box service?

A. a. Yes, "dual" delivery is possible, although the volume of mail delivered to an address would probably be lower if a post office box is also receiving some of the mail.

b. I do not claim delivery cost savings attend the provision of post office box service; I suggest that there may be a savings and if so they would be worth identifying. If such savings exist, they would probably be lower when there is "dual" delivery.

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USPS/OCA-T100-14. Please refer to page 6 line 15 through page 7 line 13 of your testimony.

- a. Please identify all the products for which you claim detailed cost information is needed to perform pricing analysis and draw comparisons to competitive products.
- b. For each product identified in (a), describe in detail the cost information that you claim has not been provided in the record in this proceeding or Docket No. R94-1.

A. a. As my testimony indicates (OCA-T-100, page 11), two services for which cost information is wanting are registry service and certified mail.

b. It would be useful to know whether or how declared value affects registry cost in cases where no insurance is carried. If the cost differences by value class are small, then the proposal to combine all groups of value declarations together into one pricing category would clearly be in order. In my testimony (OCA-T-100, page 17, line 18 to page 18, line 20) I explain how unambiguous cost information would aid in evaluating the certified mail pricing proposal.

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TO INTERROGATORIES USPS/OCA-T100-1-19

USPS/OCA-T100-15. Please refer to your testimony at page 7 line 21 to page 8 line 1.

- a. Please explain your definition of interrelatedness in economic terms.
- b. Is it your testimony that when one product is interrelated with another product, each can be a substitute of the other?
- c. For each product for which you claim information concerning its interrelationship with another product is lacking, please identify the product, all products with which it is interrelated (as that concept is defined in part (a)), and the information that you claim is lacking, either in this record or Docket No. R94-1.

A. a. An interrelationship exists between mail services if a change in the price of one service affects the quantity demanded of another service. In economic terms, the cross-elasticities of demand between such services are not zero.

b. No. When products are interrelated they can be either substitutes or complements.

c. I am not in position to show where information on demand interrelationships is lacking. I had no responsibility for identifying them and searching for where and whether they might exist in preparation for this case, so it is difficult for me to speculate about it now. However, it is reasonable to expect that a change in the price of postal cards will affect not only the demand for private cards, but also the demand for First-Class mail, a major service that is not included within the scope of this case. In connection with post office box service, it is

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CONTINUATION OF ANSWER TO USPS/OCA-T100-15:

claimed by Postal Service Witness Needham USPS-T-7, page 20) that since businesses use the larger boxes, making rates lower for them is desirable, because their coming to post offices to pick up mail causes them to use other mail services, such as Express Mail, Priority Mail and Standard Mail. No evidence of this interrelationship with other mail services is shown, but it would involve services that are not within the scope of this case.

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USPS/OCA-T100-16. Please refer to your testimony at page 31, lines 17-18, and page 32, lines 1-4. Do you believe that the higher prices for CMRA boxes are based only on higher costs, compared to the Postal Service's costs? If not, what other factors might underlie the CMRA prices?

A. The higher prices for CMRA boxes than for Postal Service post office boxes may be due in part to other factors, in addition to higher cost. The difference in prices charged may be due to more services being provided by the CMRA's.

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USPS/OCA-T100-17. Please refer to Exhibit OCA-101. Please provide copies of the following articles:

Roger Sherman & Robert Tollison, "Public Policy Toward Oligopoly," Antitrust Law and Economics Review, Vol. 4 (Summer 1971).

Sherman, Roger, "Entry Barriers and the Growth of Firms," Southern Economic Journal, Vol. 38, (October 1971).

Sherman, Roger, "The Rate-of-Return Regulated Public Utility Firm is Schizophrenic," Applied Economics, Vol. 4 (March 1972).

Sherman, Roger & George, Anthony, "Second-Best Pricing for the U.S. Postal Service" Southern Economic Journal, Vol. 45 (January 1979).

Sherman, Roger, "Pricing Inefficiency under Profit Regulation," Southern Economic Journal, Vol. 48 (October 1981).

Sherman, Roger, "Pricing Behavior of the Budget Constrained Public Enterprise," Journal of Economic Behavior and Organization, Vol. 4 (1983).

Sherman, Roger, "Institutional Design for Monopoly Regulation," European Journal of Political Economy, Vol. 5 (December 1989).

Sherman, Roger, "Capital Waste in the Rate-of-Return Regulated Firm," Journal of Regulatory Economics, Vol. 4, (December 1992).

Sherman, Roger, "Monopoly Regulation: From Legal Unrealism to Unreal Legalism and Beyond," Review of Industrial Organization.

Sherman, Roger, "Should Ramsey-Price Markups Differ?" Journal of Regulatory Economics.

A. See OCA-LR-4.

ANSWERS OF OCA WITNESS ROGER SHERMAN
TO INTERROGATORIES USPS/OCA-T100-1-18

USPS/OCA-T100-18. Please refer to page 8 line 20 of your testimony. Please define "socially optimal pricing."

A. "Socially optimal pricing" is pricing that is desirable from society's standpoint. See answer to USPS/OCA-T100-1(a) above.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with section 3.B(3) of the special rules of practice.

A handwritten signature in cursive script that reads "Emmett Rand Costich".

EMMETT RAND COSTICH
Attorney

Washington, D.C. 20268-0001
October 21, 1996